

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

NOVEMBER 18, 2008

Item 11, File #080834

File Number 080834 is a resolution approving a Cooperation Agreement between the City and the Redevelopment Authority relating to the use of Tax Incremental District No. 59 (Bronzeville) funds by the Redevelopment Authority to purchase America's Black Holocaust Museum, 2233 N. 4th Street.

Background

1. On July 6, 2005, the Common Council adopted File No. 050395, a resolution approving a project plan and creating Tax Incremental District No. 59 (Bronzeville Cultural and Entertainment District), which covers the area bounded by Burleigh Street, Garfield Avenue, King Drive and 7th Street.
2. The purpose of TID No. 59 is to facilitate the creation of an African-American Cultural and Entertainment District in the area surrounding W. North Avenue. The TID has programmed funding for selective land acquisition in the entertainment portion of the district, as well as funding for street improvements, signage, a loan/grant fund for commercial construction, renovation or façade improvement projects and a residential renovation grant program.
3. America's Black Holocaust Museum operated at 2233 N. 4th Street in the Bronzeville District until July, 2008, when financial difficulties caused it to close its doors.
4. North Shore Bank, the Museum's lender, has agreed to sell the property to the Redevelopment Authority ("RACM"), release its mortgage on the property and release its security interest in the Museum's exhibits.

Discussion

1. This resolution approves a Cooperation Agreement between the City and the Redevelopment Authority under which the City will provide the Redevelopment Authority with \$280,000 from TID No. 59 to be used solely for RACM's acquisition of the America's Black Holocaust Museum property at 2233 N. 4th Street.
2. The purchase of this property by RACM creates an opportunity for the reopening of the Museum and provides the City with the assurance that the property will be used for a purpose that is compatible with the objectives of the African-American Cultural and Entertainment District.

Fiscal Impact

1. This resolution authorizes the expenditure of \$280,000 from the TID No. 59 capital project account.
2. The expenditure amount is based on the purchase price specified in Exhibit A of the Cooperation Agreement (\$250,000) and provides additional funding for holding costs, closing costs and other costs related to RACM's acquisition of the property.

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